

## HOUSE BILL NO. 512

INTRODUCED BY WITT, BLACK

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING UP TO \$1.1 MILLION OF FEDERAL FUNDS TO THE DEPARTMENT OF TRANSPORTATION FOR LOCAL RAIL FREIGHT ASSISTANCE PROGRAMS; AMENDING ~~SECTION~~ SECTIONS 60-11-111 AND 60-11-120, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION.** **Section 1. Appropriation.** Federal funds received for local rail freight assistance programs under former 49 U.S.C. 1654 in an amount up to \$1.1 million are appropriated to the department of transportation FOR THE BIENNIUM BEGINNING JULY 1, 2005, to be used for the purposes provided in 60-11-120(2)(A) or in former 49 U.S.C. 1654.

**Section 2.** Section 60-11-111, MCA, is amended to read:

**"60-11-111. Identification and acquisition of railroad rights-of-way -- identification of railroad lines for rehabilitation.** (1) Identification of those railroad lines proposed for abandonment in the state of Montana that may have potential for local transportation service or future use as transportation corridors is necessary to determine the feasibility of acquisition by the state and to allow the state to negotiate for acquisition of those railroad lines or easements in the lines.

(2) Identification of those railroad branch lines in the state that may have potential for local rail freight transportation service is necessary to determine the feasibility of providing loans or grants to the owner or operator of the railroad line as provided in 60-11-120.

(3) The department of transportation:

(a) shall identify railroad rights-of-way in this state that may be abandoned and research the feasibility of acquisition by the state of Montana of those rights-of-way that may be abandoned;

(b) shall identify, under the state rail planning program, railroad branch lines that should be preserved for continued operation;

(c) may negotiate for and acquire easements in the rights-of-way or the railroad rights-of-way and attendant facilities identified pursuant to subsection (3)(a) and:

(i) hold all acquired lands in trust for transportation purposes; and

(ii) upon creation of an appropriate local authority, other than an agency of state government, shall transfer to the local authority all attendant facilities and all rights and responsibility to operate and maintain transportation services over the lands acquired in subsection (3)(c);

(d) shall cooperate with and assist persons representing recreational, transportation, and utility interests and other interested persons, including adjacent landowners, in acquiring ownership or easement of abandoned railbeds; and

(e) shall establish procedures, including the use of federal funds received for rail freight assistance programs under former 49 U.S.C. 1654, for providing loans and grants under 60-11-120.

(4) Abandoned rights-of-way acquired and held in trust pursuant to subsection (3)(c)(i) must be administered by the department of natural resources and conservation, as prescribed in Title 77, until the land is needed for transportation purposes."

**SECTION 3. SECTION 60-11-120, MCA, IS AMENDED TO READ:**

**"60-11-120. Railroad and intermodal transportation facility loans and grants -- authorization -- eligibility.** (1) Money appropriated by the legislature may be used by the department ~~of transportation~~, after deducting the necessary costs and expenses for administering this section, to provide loans and grants for the preservation and continued operation of railroad branch lines identified in 60-11-111 and for the development and improvement of intermodal transportation facilities except as prohibited by federal law. Proceeds of all repayments of loans, including interest, made under this section must be deposited in the state general fund except as required by federal law.

(2) An owner or operator of a railroad identified in 60-11-111(2) is eligible for a loan or grant under this section if the owner or operator:

(a) undertakes to repair, improve, or replace rail facilities to allow the continued operation of the railroad for local rail transportation service; and

(b) derives revenue from the continued operation of the railroad.

(3) A port authority created under Title 7, chapter 14, part 11, is eligible for a loan or grant under this section for the development or improvement of an intermodal transportation facility under this section if:

(a) the port authority is included in the state transportation planning process as described in 23 U.S.C. 135; and

1 (b) the intermodal transportation facility for which a loan or grant is sought is integrally related to the  
2 railroad transportation system of the state."

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4 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2005.

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